

## **Program A: Oil and Gas Regulatory**

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2002-2003. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document.

DEPARTMENT ID: Natural Resources  
 AGENCY ID: 11-432 Office of Conservation  
 PROGRAM ID: Program A: Oil and Gas Regulatory

1. (KEY) To demonstrate success in protecting the correlative rights of all parties involved in oil and gas exploration and production by ensuring that 96% of Conservation Orders from oil and gas hearings are issued within thirty days; that 99% of critical date requests are issued within the requested time frame; and that 99% of all oil and gas Conservation Orders result in no legal challenges.

Strategic Link:

Louisiana: Vision 2020 Link:

Children's Cabinet Link:

Other Link(s):

Explanatory Note:

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of orders issued within thirty days of hearing	96%	95%	96%	96%	96%	96% <sup>1</sup>
K	Percentage of critical date requests issued within time frame	98%	100%	98%	98%	99%	99% <sup>1</sup>
K	Percentage of Conservation Orders issued with no legal challenges	99%	100%	99%	99%	99%	99% <sup>1</sup>
S	Number of permits to drill and amend	10,500	10,947	10,500	10,500	8,500 <sup>2</sup>	8,500 <sup>2</sup>

<sup>1</sup> Recommended standards are dependent upon sales tax renewal.

<sup>2</sup> Lower oil and gas prices observed in FY 01/02 has resulted in less drilling activity; therefore, the projected number of permits to drill and amend is reduced.

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2. (Key) To ensure 75% of field violation compliance orders are resolved by the specified date.

Strategic Link: Gpa; I; Objective 1.2: T ensure 75% of field violation compliance orders are resolved by the specified date.

Louisiana: Vision 2020 Link: N/A

Children's Cabinet Link: N/A

Other Link(s):

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of field violation compliance orders resolved by the specified date <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	75%	75% <sup>3</sup>
S	Number of field violation compliance orders due for resolution by the specified date. <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	500	500 <sup>3</sup>
S	Number of field inspection reports	12,000	14,408	11,650	11,650	13,000	13,000 <sup>3</sup>

<sup>1</sup> Resolved/Resolution" doesn't necessarily mean the field violation was returned to compliance since it could also reflect the final resolution of designation as an orphaned well site.

<sup>2</sup> This indicator was not adopted as a standard in the year indicated.

<sup>3</sup> Recommended standards are contingent upon sales tax renewal.

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### 3. (KEY) To restore 140 orphaned well sites to prevent environmental degradation.

Strategic Link: This objective is an incremental step to the Office of Conservation strategic objective : To restore 800 orphan well sites across the state by 2006.

Louisiana: Vision 2020 Link:

Children's Cabinet Link:

Other Link(s):

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Number of orphaned well sites restored during fiscal year	185	214	180	180	140	140 <sup>9</sup>
S	Newly identified orphaned well sites during fiscal year	550	695	450	450 <sup>1</sup>	550 <sup>2</sup>	650 <sup>9</sup>
S	Wells restored by other means <sup>3</sup>	Not applicable <sup>4</sup>		280	280 <sup>5</sup>	160 <sup>6</sup>	95
S	Unrestored orphaned well sites	3,200	3,526	3,190	3,190 <sup>7</sup>	3,766 <sup>8</sup>	4,076

<sup>1</sup> Due to fluctuations in the oil and gas economy, in addition to the Agency's new financial security requirements, the number of operators eligible for security bonds has decreased . As operators of the older wells go out of business new operators can't restore the sites; therefore, more newly identified orphaned well sites have already been identified by the 2nd quarter of FY 01/02, requiring a revision of the year-end performance target to 600.

<sup>2</sup> Due to fluctuations in the oil and gas economy, in addition to the Agency's new financial security requirements, the number of operators eligible for security bonds has decreased . As operators of the older wells go out of business new operators can't restore the sites; therefore, we anticipate this trend of more newly identified orphaned well sites being identified annually for several years, before the positive impacts of the new financial security requirements become evident.

<sup>3</sup> This indicator refers to identified orphaned wells which are removed as a threat to public safety by private industry or by discovery that they have been properly abandoned.

<sup>4</sup> This indicator was not adopted as a standard in the year indicated.

<sup>5</sup> This was a new performance indicator for FY 01/02 and historical values were not maintained by the Agency. Through manual compilation it was determined that the actual value for FY 00/01 of 92 was the correct value. Additionally, the year end performance target for FY 01/02 was revised at mid-year to 126, based on more current data.

<sup>6</sup> Because the year-end performance target was revised mid-year to 126 the "Continuation Level" projection was revised accordingly. This reduction was also influenced by the Agency's new financial security requirements which has resulted in fewer operators qualifying for these security bonds; thereby, reducing the number of operators capable of taking these well and "restoring the wells by other means".

<sup>7</sup> Due to the Agency's necessity to orphan a large number of wells owned by two operators during FY 01/02, the year-end FY 01/02 performance target was revised to 3,661 during the second quarter.

<sup>8</sup> The FY 01/02 year-end performance target for this indicator was increased to 3,661. Since the value of this performance indicator standard is based on a mathematical calculation of this performance indicator with three other performance indicators for this objective, the continuation level had to be revised accordingly.

<sup>9</sup> Recommended standards are contingent upon sales tax renewal.